GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1562
ANSWERED ON:08.12.2015
Drug Pricing Policy & Drug Price Control Order (DPCO)
Maganti Shri Murali Mohan;Ramachandran Shri Krishnan Narayanasamy;Somaiya Dr. Kirit;Tanwar Shri Kanwar Singh

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of medicines which have been brought under the DPCO and National List of Essential Medicines till date and the proposal to include all essential medicines there under to keep the price of these medicines whithin the reach of poor people;

(b) the details of the actions that can be taken against a company which fails to comply with the retail price cap as prescribed by the National Pharmaceutical Pricing Authority (NPPA) under DPCO;

(c) whether the Government proposes to review the National List of Essential Medicines to include more medicines in this list, if so, the details thereof, if not, the reasons therefor;

(d) whether the Government has received any complaint regarding Drug Pricing Policy, if so, the details regarding re-examination or re-assessment of it; and

(e) whether the NPPA has any proposal to cap the prices of life saving drugs like HIV, cancer etc. if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR)

(a): Pursuant to the announcement of National Pharmaceutical Pricing Policy, 2012, Government notified Drugs (Prices Control) Order, 2013 (DPCO, 2013) on 15th May, 2013. All the medicines specified in the National List of Essential Medicines 2011 (NLEM) have been included in the First
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Schedule of DPCO, 2013 and brought under price control. Under DPCO, 2013, prices of drugs are fixed on 'Market based pricing' methodology. Consequent to the price fixation of drugs under this order, affordability of the medicines has improved. Out of total 680 NLEM medicines (628 net medicines) under scheduled category of DPCO, 2013, National Pharmaceutical Pricing Authority (NPPA) has fixed the ceiling prices in respect of 530 medicines including 47 medicines for cancer and 22 for HIV medicines based on market price data under provisions of the said order.
In addition, maximum retail price (MRP) has been capped under para 19 of DPCO, 2013, in respect of 106 non scheduled medicines, out of which 84 are used for treatment of cardiovascular diseases and 22 for diabetes. NPPA has also fixed the retail price of 247 'new drugs' under para 5 of DPCO, 2013.
(b): National Pharmaceutical Pricing Authority (NPPA) issue notices for overcharging as and when price violation cases come to notice based on the reports received from State Drug Controllers or samples purchased from market or complaints received from NGOs / individuals.
Action for recovery of the overcharged amount is taken as per the provisions of DPCO, 1995 and DPCO, 2013. The cases are also referred to District Collector for recovery of the overcharged amount as arrears of land revenue under Section-3 of the Essential Commodities Act, 1955.
(c): Ministry of Health and Family Welfare has constituted an expert core committee to review and recommend the revision of National List of Essential Medicines (NLEM)-2011 in the context of contemporary knowledge of use of therapeutic products.

(d): A representation in the matter of Writ Petition (Civil) 423/2003 has been received from All-India Drug Action Network and Other Petitioners pursuant to the order of the Supreme Court dated 15th July, 2015. The four main issues highlighted in the order pertain to pricing methodology, exclusion of some essential life-saving drugs form price control, manufacture of irrational combination of drugs and pricing of patented medicines. The matter is under examination at the Department of Pharmaceuticals.

(e): National Pharmaceutical Pricing Authority (NPPA) fixes/controls the prices of medicines including those used for HIV, cancer etc. It is an ongoing process.
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